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TO: Vincent Nathan, Ph.D., Director  
Environmental Affairs

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 30, 2007

RE: 2007-2008 Budget Analysis

19.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Roger Short, Finance Department Director  
Pamela Scales, Budget Department Director  
Ervin Stewart, Budget Department Team Leader  
Kandia Milton, Mayor's Office

## **Environmental Affairs (22)**

### **FY 2007-2008 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The Department of Environmental Affairs is a General Fund Agency. The Mayor's Proposed Budget for 2007-2008 includes appropriations of \$4.3 million, which is a decrease of \$99,926 or 2.3% from fiscal year 2006-2007. The Mayor's Proposed Budget of 2007-2008 includes revenues of \$4.2 million, which is a decrease of \$56,160 or 1.3% from fiscal year 2006-2007. The department's net tax cost recommended for next year is \$154,688, \$43,766 less than the budgeted net tax cost for the current year.

#### **2006-2007 Surplus/(Deficit)**

The estimated deficit for the Department of Environmental Affairs is \$770,000 for fiscal year 2006-2007. The deficit is composed of a revenue deficit of \$1,500,000, which is due to lower ticket collections, and an appropriation surplus of \$730,000, due to vacancies.

#### **Overtime**

The Mayor's Proposed Budget for fiscal year 2007-2008 includes \$11,993 for overtime expenses in the department, which is the same level as fiscal year 2006-2007. As of March 31, 2007, the Department expended \$183 for overtime.

#### **Personnel and Turnover Savings**

There are no projected personnel or turnover savings for this department.

#### **Proposed Layoffs and Position Changes**

The Mayor's Proposed Budget for 2007-2008 includes one less position. This is the net effect of the departmental reorganization of its technical staff.

Following is information comparing budgeted FY 2006-2007 positions, March 31, 2007 filled positions, and FY 2007-2008 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3-31-2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Environmental Affairs (22)					
00935 Envir. Affairs Admin	10	11	12	1	2
10844 Envir. Code Enforce	<u>47</u>	<u>39</u>	<u>44</u>	<u>(8)</u>	<u>(3)</u>
	57	50	56	(7)	(1)

### Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
00935	Environmental Affairs Administration	This program decreases by \$25,000 as a result of salary and benefits increasing by \$65,000, offset by a decrease in contractual services by \$33,000 and a \$54,000 decrease in operating services. Two positions are added.
10844	Environmental Code Enforcement	This program reduction of \$74,000 is primarily due to elimination of three positions.

### **Environmental Affairs (22)**

Budgeted Professional and Contractual Services by Activity	FY 2005-06 <u>Budget</u>	FY 2006-07 <u>Recommended</u>	Increase (Decrease)
Environmental Affairs	\$ 182,811	\$ 182,811	\$ -
Environmental Code Enforcement	-	94,000	94,000
<b>Total</b>	<b><u>\$ 182,811</u></b>	<b><u>\$ 276,811</u></b>	<b><u>\$ 94,000</u></b>

### Significant Revenues by Appropriation and Source

<u>Appro.</u>	<u>Program</u>	
00935	Environmental Affairs Administration	This reflects a decrease of \$56,160 from the 2006-2007 Budget of \$4,234,400. This decrease is due to lower Civil Infraction Fines.

### Issues and Questions

1. The department has reorganized its technical staff and reduced its area of specialization from three to two. The Watershed Management specialty has been eliminated and this specialty is under the Solid Waste specialty. Please explain rationale of reorganization.
2. Object code 455155 – Civil Infraction was budgeted at \$3.1 million in FY 2006, and actual was \$167,334. In FY 2007 the budget was \$4.2 million and actual is \$416,746 through 10 months. The Mayor is recommending \$4.1 million for 2007-2008. What plans are in place to support this level of revenue when actuals are so low?
3. What impact has the enactment of the Blight Ordinance and the adjudication process through the Department of Administrative Hearings had on departmental processes and revenue?